



Atos SAP ERP Cloud Migration Services

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's SAP ERP Cloud Migration Services Vendor Assessment for Atos is a comprehensive assessment of Atos' SAP ERP Cloud Migration services offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for SAP ERP Cloud Migration services
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the experience consulting services sector.

Key Findings & Highlights

With Elie Girard as CEO, Atos has started on a business transformation with its 'SPRING' initiative reshaping its portfolio of offerings, reinforcing its go-to-market approach, and setting-up a vertical-led organization. In a major reorganization, it has created six Industry groups (with areas of focus in the portfolio):

- Manufacturing (IoT, connected cars, analytics, product servitization strategies)
- Financial Services & Insurance (UX, compliance and reporting, open platforms, operating models transformation, and process digitization)
- Public Sector & Defense (rationalization of infrastructures, national security, and sovereignty, e-government)
- Telecoms, Media & Technology (back-office innovation, UX, next-gen networks, cost optimization)
- Resources & Services, the former Retail, Transportation & Logistics (UX, cost optimization, sourcing, payments and asset management) and Energy & Utilities (renewables, UX, distribution and circular economy, smart services) market groups
- Healthcare & Life Sciences (demographics and patient behavior analytics, funding gap, computer-assisted diagnostics, telehealth, genomic innovation).

At the same time, Atos has evolved from its former primary Global Business Unit structure into five Regional Business Units (RBUs), each of them under a single leadership:

- North America
- Central Europe (former Germany, and Central & Eastern Europe excluding Italy)
- Northern Europe (former U.K. & Ireland, and Benelux & The Nordics)
- Southern Europe (former France, Iberia, and Italy)
- Growing Markets (former Asia-Pacific, South America, and Middle East & Africa).

In November 2020, Atos introduced OneCloud to help its clients adopt cloud computing. Services offered under OneCloud include:

- Industry-specific consulting services to develop cloud solutions
- Cloud orchestration across private and public clouds, with a focus on interoperability
- Cloud standardization and automation services, including a reference architecture
- Development and deployment of a private and sovereign cloud in datacenters
- Cloud application development, modernization, and re-platforming, including DevSecOps
- AI and ML to improve processes and modernize data
- Bare metal solutions, with high processing and memory servers, to support applications that cannot be virtualized
- Cloud edge and far edge, combining local servers and 5G connectivity
- Cybersecurity
- Decarbonization, with a one-year carbon footprint reduction guarantee.
- For its cloud services, Atos relies on the technologies from AWS, Dell (including Dell EMC and VMware), Google Cloud, IBM Red Hat, Microsoft Azure, SAP, ServiceNow, and Salesforce
- The company will invest €2bn in certification and training, R&D, and acquisitions over five years to support OneCloud.

In June 2020, Atos, through Atos Worldgrid, acquired Alia Consulting, a French SAP S/4HANA consultancy based in Paris, targeting utilities for their CRM and billing needs. Alia has revenues of €9m in 2019 and has a headcount of 70.

In February 2020, Atos acquired MavenWave, a Chicago headquartered Google Cloud Premier Partner (and its N. America Services Partner of the year in 2018 and 2019). Maven Wave has Google Cloud Partner Specializations in data analytics, ML, cloud migration, application development, infrastructure, location-based services, enterprise collaboration, and marketing analytics, and has 330 employees.

Atos had acquired X-PERION in Germany in October 2019. X-PERION had a similar profile to that of Alia Consulting, with a headcount of 50. It was combined in ENERGY4U, a unit of Worldgrid.

To expand its application services and North American presence, in July 2018, Atos announced the acquisition of Syntel. The acquisition closed in October 2018. The acquisition brings total Atos headcount to ~120k and nearly doubles its India based headcount to ~32k. It also will make the B&PS division into Atos' largest, accounting for ~47% of total revenues.

In CY 2019, Atos reported overall revenues of ~€11.6bn (~\$13.3bn). Of this, NelsonHall estimates that ~€100m (\$115m) was associated with SAP ERP cloud migration services.

Atos has shaped its approach for SAP ERP cloud adoption based on its twin experiences supporting enterprise cloud migration and S/4HANA adoption. While underpinned by technical capabilities, Atos positions its services to enable client business transformation, enabling the achievement of business objectives that look beyond infrastructure cost reduction, including expanding into new business models such as co-manufacturing and facilitating M&A activity.

Atos has ~13.5k SAP specialists, ~3.5k of whom have HANA and cloud skills, and ~2k possess SAP certifications. It also has ~300 employees that possess S/4HANA cloud platform certifications. Atos targets increasing the proportion of the SAP team possessing certifications to 45% by the end of 2021 (at least ~6k employees).

SAP ERP cloud migration services sit at the nexus of key focus areas for Atos. It has prioritized its hybrid cloud capabilities over the last several years and its SAP capabilities, and its recent organizational pivot to vertical-led strategy aligns with the increasing need for SAP to align with industry-specific requirements. This has resulted in Atos having a strong, broad portfolio of assets to support clients in their SAP cloud journey. It recognizes and invests in building out a workforce that can play a consultative role to work with clients in the early phases of engagements and shape the cloud roadmap and strategy. Expanding this team further will be a key enabler of the growth being targeted, particularly in North America, APAC, and Latin America, where Atos has less of a legacy footprint.

Beyond its focus on industry-led solutions, Atos is placing primacy on tailoring cloud migration to business objectives rather than solely IT cost reduction. This approach aligns it closely with the expanded business cases that clients are pursuing. However, Atos is challenged by a historical client footprint dominated by infrastructure-led relationships. Leveraging its growing field consulting staff to tap into new buyer bases within clients and evolve the perception of Atos capabilities is critical.

Scope of the Report

The report provides a comprehensive and objective analysis of Atos' SAP ERP Cloud Migration service offerings, capabilities and market and financial strength, including:

- Analysis of the company's offerings and key service components
- Revenue estimates
- Identification of the company's strategy, emphasis and new developments
- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts
- Analysis of the company's strengths, weaknesses and outlook.



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